

Message Text

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43

ACTION SNM-02

INFO OCT-01 ARA-06 ISO-00 AID-05 NSC-05 SS-15 USIE-00

DEAE-00 CIAE-00 INR-07 IO-13 JUSE-00 NSAE-00 TRSE-00

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TO SECSTATE WASHDC IMMEDIATE 2113

C O N F I D E N T I A L LA PAZ 6749

FOR VANCE AND LUERS

E.O. 11652: GDS

TAGS: SNAR BL

SUBJ: NARCOTICS CONTROL: PRESIDENTIAL AUTHORIZATION OF FUTURE
COMMITMENT OF FUNDS

REF: STATE 207837, STATE 211804

1. I PRESENTED THE AIDE MEMOIRE PROVIDED IN REFTEL TO PRESIDENT BANZER AND THE MINISTER OF INTERIOR AT MY MEETING WITH THEM AUGUST 26. I EXPLAINED THAT NEW PROCEDURES FOR HANDLING FUTURE COMMITMENTS HAD REQUIRED THAT THE ENTIRE PROGRAM BE REVIEWED PERSONALLY BY PRESIDENT FORD AND THAT HE HAD APPROVED OUR MOVING AHEAD. THE PRESIDENT AND THE MINISTER READ THE AIDE MEMOIRE ALOUD AND INDICATED THEIR APPROVAL AND PLEASURE AT THE US RESPONSE. I FELT IT ABSOLUTELY NECESSARY TO ELICIT THEIR COMMITMENT TO THE STRONG ENFORCEMENT CONTROL PROGRAM WE WISH WITHIN THE CONTEXT OF THE AIDE MEMOIRE TO TELL THEM THAT THE FUTURE FUNDING AUTHORITY IS UP TO \$45 MILLION IN LOANS OVER FIVE YEARS FOR INCOME SUBSTITUTION AND GRANTS UP TO \$8 MILLION FOR ENFORCEMENT AND CONTROL OVER FIVE YEARS. I EXPLAINED THAT THE US AND BOLIVIA WOULD NEED TO PREPARE A PLAN DETAILING THE PARALLEL ACTIVITIES OF BOTH IN MEETING THE OBJECTIVES OF MORE EXTENSIVE REPRESSION OF NARCOTICS TRAFFICKING
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AND REDUCTION OF COCA LEAF PRODUCTION. I DESCRIBED THE NECESSITY

TO HAVE CLEAR RESULTS FROM THE PILOT PROJECT IN INCOME SUBSTITUTION FOR COCA TO MOVE TOWARD THE AGRICULTURAL LENDING PHASE. I DESCRIBED THE NEED TO HAVE EXTENSIVE CONTROLS AROUND THE AGRICULTURAL AREAS AND THE IMMEDIATE REQUIREMENTS THAT THE LAW ENFORCEMENT AGENCY BE IMPROVED AND TO ENGAGE IN EFFECTIVE OPERATIONS AGAINST MAJOR DRUG TRAFFICKING. WITH REGARD TO THE LAST, I DESCRIBED OUR POLICY AS BEING ONE OF HAVING FIRST SOLID INFORMATION AS TO LOCATION AND ACTIVITIES OF TRAFFICKERS BEFORE OPERATIONS ARE INITIATED. I POINTED OUT THAT INC FUNDS MAY NOT BE USED TO PAY FOR INTELLIGENCE OR REWARDS OR TO PAY SALARIES OF HOST GOVERNMENT PERSONNEL NOR FOR EXPENSES ASSOCIATED WITH DETENTION OR INCARCERATION OF NARCOTICS OFFENDERS. I ALSO NOTED THAT INC FUNDS CANNOT BE USED FOR WEAPONS, FURNITURE, ELECTRONICS, SURVEILLANCE EQUIPMENT, OR FOR OTHER THAN ORDINARY HAND WEAPONS. I SAID THAT WASHINGTON HAD A TEAM AVAILABLE TO COME PROMPTLY TO WORK WITH THE BOLIVIAN AUTHORITIES IF THE TERMS OF THE AIDE MEMOIRE WERE ACCEPTABLE.

2. PRESIDENT BANZER AND THE MINISTER ACCEPTED TOTALLY THE AIDE MEMOIRE, THE CONCEPT OF JOINT PLANNING, AND THE PROMPT ARRIVAL OF THE US TEAM. THE PRESIDENT EXPRESSED HIS APPRECIATION FOR PRESIDENT FORD'S APPROVAL OF THE COOPERATIVE PROJECT AND ASKED ME TO FORWARD HIS EXPRESSION TO WASHINGTON AND ALSO TO INFORM SECRETARY KISSINGER, AMBASSADOR VANCE, AND OTHERS INVOLVED THAT HE WILL SUPPORT THIS PROJECT IN CARRYING OUT ITS OBJECTIVES TO COMBAT DRUG TRAFFICKING AND REDUCE COCA PRODUCTION, AS HE HAS PUBLICLY STATED BEFORE AT A UN MEETING.

3. THE MINISTER OF INTERIOR SAID THAT SOME WORK HAS ALREADY BEEN DONE IN WORKING OUT STEPS FOR A GOVERNMENT PLAN OF ACTION, INCLUDING THE SHORT TERM REGISTRATION OF COCA FARMERS IN THE YUNGAS AND CHAPARE, A FEASIBILITY STUDY ON THE MARKETING OF CERTAIN CROPS, A REFORM OF THE DRUG LAW AND AN IMPROVEMENT OF THE JUDICIAL SYSTEM, AND AN INCREASE OF \$250,000 IN THE 1976 BUDGET FOR THE BOLIVIAN OFFICE OF NARCOTICS. IN THE MEDIUM TERM, THE GOVERNMENT IS CONSIDERING A SYSTEM OF LICENSING AND GOVERNMENT WAREHOUSING OF LEGAL COCA LEAF PRODUCTION. OVER THE LONGER TERM THE GOVERNMENT VISUALIZES THE INCOME SUBSTITUTION PROGRAM COMING INTO EFFECT. APART FROM THESE STAGES OF PLANNING, BOTH THE PRESIDENT AND THE MINISTER COMMITTED THEMSELVES TO EXPANDING THE NARCOTICS OFFICE, MAKING IT CONFIDENTIAL

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MORE EFFICIENT, AND ENGAGING IN SPECIFIC ENFORCEMENT OPERATIONS WHERE THERE IS AN ADEQUATE INFORMATION BASE.

4. PRESIDENT BANZER EXPRESSED HIS CONCERN AT THE LOW LEVEL OF PAY OF NARCOTICS AGENTS AND ADDED THAT HE AND THE MINISTER HOPED TO DEVISE SOME METHOD OF A BONUS PAYMENT TO ASSIST THESE MEN IN THEIR WORK, PARTICULARLY IN THE CITY OF THEIR RESIDENCE. HE EXPRESSED APPRECIATION FOR OPERATIONAL FUNDS FROM THE US WHICH

HELP AGENTS WHEN THEY TRAVEL OUTSIDE OF THEIR CITY OF RESIDENCE BUT NOTED A NEED TO HAVE SPECIAL PAYMENTS TO NARCOTICS AGENTS, POSSIBLY FOR OVERTIME, IN THEIR OWN HOME AREAS. WHILE THE PRESIDENT WAS DISCUSSING HOW BOLIVIAN BUDGETARY PROCEDURES MIGHT BE MODIFIED, HE WOULD BE PLEASED IF THERE COULD BE A POSITIVE US RESPONSE TO THE UTILIZATION OF GRANT FUNDS FOR OVERTIME PAYMENTS.

5. THE MINISTER OF INTERIOR SUGGESTED THAT THE TEAM TRAVEL TO LA PAZ IMMEDIATELY AND THAT HIS MINISTRY WILL BE THEIR POINT OF COORDINATION. HE REPEATED HIS OPINION THAT THE TEAM SHOULD BE PREPARED TO TRAVEL ABOUT BOLIVIA SO AS TO GET A FIRST-HAND APPRECIATION OF THE COUNTRY'S LOGISTICAL DIFFICULTIES.

6. IN ACCORDANCE WITH THE FOREGOING, I THEREFORE APPROVE THE DEPARTURE OF THE NARCOTICS TEAM FROM WASHINGTON ON AUGUST 30 TO ARRIVE HERE ON AUGUST 31. IT WOULD BE APPRECIATED IF THE FULL NAMES, TITLES, AND SPECIALTIES OF THE TEAM MEMBERS WERE COMMUNICATED TO US.

7. REVISED INCOME SUBSTITUTION ACCELERATION PROP WILL BE DELIVERED TO S/NM ON AUGUST 30 BUT MOFFETT WILL REMAIN HERE UNTIL LATER IN THE WEEK SO AS TO CONSULT WITH THE TEAM IN LA PAZ.
STEDMAN

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